

Attachment 1

February 16, 2001

ALL AGREEMENT STATES
MINNESOTA, PENNSYLVANIA, WISCONSIN

**PROGRAM MANAGEMENT INFORMATION: REQUEST FOR COMMENT ON MATERIALS
PERFORMANCE GOALS AND MEASURES SRM (STP- 01- 012)**

I am writing to ask for your assistance and input on the following two items contained in the January 25, 2001 NRC Staff Requirements Memorandum (SRM) resulting from the staff's January 10, 2001 Commission briefing on the status of the nuclear materials safety program. See <http://www.nrc.gov/NRC/COMMISSION/TRANSCRIPTS/index.html> for a full copy of the SRM and meeting transcript. The Commission asked that we:

1. Solicit input from the Agreement States on the current set of national-level strategic and performance goals to determine whether modifications are warranted, including the desirability of establishing separate subgoals for NRC and Agreement State licensees; and
2. Considering the input obtained in item 1, provide a recommendation to the Commission, on whether the current national-level strategic and performance goals, which encompass Agreement State licensees, should include separate subgoals for those licensees regulated by NRC and those regulated by Agreement States.

All Agreement States Letter STP-00-081 (November 29, 2000), transmitted the Commission-approved Strategic Plan (<http://www.nrc.gov/NRC/NUREGS/SR1614/V2/index.html>). We have enclosed background information on the Strategic Plan and on development of the performance goals. The enclosure also includes two tables which list each material strategic and performance goal and its associated numerical metric.

We would appreciate your review of these tables and feedback on whether you believe modifications are needed to the current set of strategic and performance goals and, if so, why. We would also appreciate your views on whether the goals should include separate subgoals for NRC and the Agreement States. (e.g., Whether the numerical goal (which represents NRC and Agreement State event reporting data) should be subdivided to separately reflect the performance of NRC, the Agreement States collectively, or individually for each Agreement State.)

Given the Commission's interest in your views and their time line for providing them with a recommendation (June 15, 2001), please provide your response to the individual named below **by COB March 30, 2001**. Additionally, if you or a member of your staff has an interest in participating in the evaluation of State responses to be used to prepare the recommendation to the Commission, please provide that individual's name to Kathy Allen, Chair, Organization of Agreement States, also **by COB March 30, 2001**. Please contact me at 301-415-3340 or the individual named below if you have any questions regarding this correspondence.

Note that this correspondence does not request any new event reporting information and is a totally separate request from that dated November 29, 2000 (STP-00-081) regarding event data for the annual report to Congress. It is also separate from the NRC and Agreement States Events Working Group effort to review the materials event reporting and assessment processes.

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This information request has been approved by OMB 3150-0029, expiration April 30, 2001. The estimated burden per response to comply with this voluntary collection is approximately 6 hours. Forward any comments regarding the burden estimate to the information and Records Management Branch (T-6-F33), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to the Paperwork Reduction Project (3150-0029), Office of Management and Budget, Washington, DC 20503. If a document does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, a collection of information.

/RA/

Paul H. Lohaus, Director
Office of State and Tribal Programs

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STP-A-4

Background on the Development of Nuclear Materials Arena Safety Goals and Measures

The Government Performance Results Act (GPRA) requires that agencies prepare an annual performance report to Congress based on its Strategic Plan performance goals and target metric performance data. All Agreement States Letter SP-99-077, dated December 2, 1999, described development of the Nuclear Regulatory Commission's (NRC's) FY 2000-2005 Strategic Plan and transmitted a copy of the Draft Nuclear Waste Safety Chapter for review and comment by Agreement States. On December 22, 1999 (SP-99-081), Agreement States were subsequently provided a copy of the draft Nuclear Materials Safety chapter of the Strategic Plan for review and comment. In accordance with GPRA, the Strategic Plan includes specific numerical performance goals for both the materials and waste areas. Background information on the goals and how they were derived follows:

When NRC developed its Strategic Plan, four performance goals were developed for each of its arenas, including the materials arena. Those goals are:

- Maintain safety and protect the environment, and the common defense and security;
- Increase public confidence;
- Increase our effectiveness, efficiency, and realism;
- Reduce unnecessary regulatory burden.

Within each of these performance goals, a number of strategic and performance measures were developed which are used to identify the degree of success in achieving each of the goals. (Although there is a linkage among the four performance goals, NRC believes that the first goal, maintaining safety, is pre-eminent.) The 32 Agreement States, regulating over 75% of the total materials licensees, play a major part in achieving success against the goals, especially the safety goal.

The measures are based on outcome, rather than output. In this context, the outcomes are events or incidents that occur that we hope to limit or prevent through our regulatory programs. Output measures, such as the number of licensing actions we complete, or the number of inspections we conduct, were not selected, since the emphasis was intended to be on the extent of our regulatory programs' influence over the outcomes.

The measures are presented in two tiers. The top tiered measures are called Strategic Measures. Events occurring against these measures would be very significant and could have major safety implications. They are shown below:

ENCLOSURE

STRATEGIC MEASURES (reportable to Congress in annual performance report) Definitions for each of these measures and how they will be tallied are provided in the endnotes of the Strategic Plan.

No deaths resulting from acute radiation exposures from civilian uses of source, byproduct, or special nuclear materials, or deaths from other hazardous materials used or produced from licensed material.

No more than 6 events per year resulting in significant radiation or hazardous material exposures from the loss or use of source, byproduct, and special nuclear materials.

No events resulting in releases of radioactive material from civilian uses of source, byproduct, or special nuclear materials that cause an adverse impact on the environment.

No losses, thefts, or diversion of formula quantities of strategic special nuclear material; radiological sabotages, or unauthorized enrichment of special nuclear material regulated by NRC.

No unauthorized disclosures or compromises or classified information causing damage to national security.

The second tier, "Performance Measures," are likely to be more frequent occurrences, and in most cases, will be of lower safety significance. They also represent precursors that will help identify trends in the outcomes, or potential regulatory weaknesses, which may need to be addressed before any of the strategic measures are tripped. These performance measures are shown below:

GOAL 1 PERFORMANCE MEASURES (reportable to Congress in annual performance report)

S1. No more than 350 losses of control of licensed material per year.

S2. No occurrences of accidental criticality.

S3. No more than 20 events per year resulting in radiation overexposures from radioactive material that exceed applicable regulatory limits. **Note:** Staff recommending change to no more than 40 events per year.

S4. No more than 45 medical events per year.

S5. No more than 40 releases per year to the environment of radioactive material from operating facilities that exceed the regulatory limits. **Note:** Staff recommending change to no more than 6 releases per year.

S6. No non-radiological events that occur during the NRC regulated operations that cause impacts on the environment that can not be mitigated within applicable regulatory limits, using reasonably available methods.

S7. No more than 5 substantiated cases per year of attempted malevolent use of source, byproduct, or special nuclear material.

S8. No breakdowns of physical protection or material control and accounting systems resulting in a vulnerability to radiological sabotage, theft, or unauthorized enrichment of special nuclear material.

The Strategic Plan should be consulted for additional and more detailed information on the strategic and performance measures.

Derivation of the Metrics

Where did the estimated number of events (i.e., the metrics) come from? In most cases, they were developed in 2000, based on the Nuclear Materials Events Database (NMED) data for NRC and the States combined, over the prior two or three years (1997-1999). In most cases, this covers a period after which mandatory reporting requirements were in place. Once the data were collected, we averaged them over the time frame and used three standard deviations of the data, to establish a high confidence level, and to offset normal statistical fluctuations.